IN THE CLAIMS

Please amend the claims as follows:

Clam 1 (Currently Amended): A method of processing a spectrally-encoded digital audio signal comprising band data components representing audio contributions in respective frequency bands, said method comprising ~~the steps of~~:

altering a subset comprising one or more of said band data components <u>by combining or replacing one or more of said band data components with corresponding band data components from a spectrally-encoded digital audio watermark signal, multiplied by a scaling factor,</u> to produce a band-altered digital audio signal having altered band data components; [[and]]

generating recovery data to allow original values of said altered band data components to be reconstructed<u>; and</u>

<u>storing results of the altering in a memory.</u>

Claim 2 (Currently Amended): A method according to claim 1, <u>further</u> comprising ~~the step of~~ encrypting said recovery data.

Claim 3 (Original): A method according to claim 1, in which said recovery data comprises said subset of said band data components.

Claims 4 and 5 (Canceled).

Claim 6 (Original): A method according to claim 1, in which said subset of said band data components is a predetermined subset of said band data components.

Claim 7 (Original): A method according to claim 1, in which said recovery data defines which of said band data components are in said subset of said band data components.

Claim 8 (Currently Amended): A method according to claim [[4]] 1, further comprising the step of:

detecting which of said band data components of said watermark signal are most significant over at least a portion of said watermark signal, said most significant band data components forming said subset of said band data components.

Claim 9 (Currently Amended): A method according to claim 8, in which said detecting [[step]] further comprises:

detecting which of said band data components of said watermark signal are most significant over the entirety of said watermark signal.

Claim 10 (Currently Amended): A method according to claim 8, in which said watermark signal and said digital audio signal are each encoded as successive data frames representing respective time periods of said watermark signal and said digital audio signal, and said detecting step comprising further comprises:

detecting which of said band data components of said watermark signal are most significant over a group of one or more of said data frames of said watermark signal, said most significant band data components forming said subset of said band data components in respect of a corresponding group of one or more frames of said digital audio signal.

Claim 11 (Currently Amended): A method according to claim [[5]] 1, further comprising the step of:

detecting which of said band data components of said watermark signal are most

significant over at least a portion of said watermark signal, said most significant band data

components forming said subset of said band data components.

Claim 12 (Currently Amended): A method according to claim 11, in which said

detecting [[step]] further comprises:

detecting which of said band data components of said watermark signal are most

significant over the entirety of said watermark signal.

Claim 13 (Currently Amended): A method according to claim 11, in which said

watermark signal and said digital audio signal are each encoded as successive data frames

representing respective time periods of said watermark signal and said digital audio signal,

and said detecting step comprising further comprises:

detecting which of said band data components of said watermark signal are most

significant over a group of one or more of said data frames of said watermark signal, said

most significant band data components forming said subset of said band data components in

respect of a corresponding group of one or more frames of said digital audio signal.

Claim 14 (Currently Amended): A method according to claim [[4]] 1, further

comprising the step of:

detecting which of said band data components of said watermark signal differ most

significantly from corresponding band data components of said digital audio signal over at

least corresponding portions of said watermark signal and said digital audio signal, said most

significantly differing band data components forming said subset of said band data

components.

Claim 15 (Currently Amended): A method according to claim [[5]] 1, further comprising ~~the step of~~:

detecting which of said band data components of said watermark signal differ most significantly from corresponding band data components of said digital audio signal over at least corresponding portions of said watermark signal and said digital audio signal, said most significantly differing band data components forming said subset of said band data components.

Claim 16 (Original): A method according to claim 7, in which said band data components forming said subset of said band data components are defined by a pseudo-random function.

Claim 17 (Original): A method according to claim 1, in which said digital audio signal is stored in a data format having at least:

format-defining data specifying a quantity of data available to store said digital audio signal;

said band data components; and

zero or more ancillary data space.

Claim 18 (Currently Amended): A method according to claim 17, further comprising ~~the step of~~ storing said recovery data in said ancillary data space.

Claim 19 (Currently Amended): A method according to claim 17, <u>further</u> comprising ~~the step of~~ altering said format-defining data to specify a larger quantity of data to store said digital audio signal, thereby increasing the size of said ancillary data space.

Claim 20 (Currently Amended): A method according to claim 1, <u>further</u> comprising ~~the step of~~ appending said recovery data to said band-altered digital audio signal.

Claim 21 (Currently Amended): A method according to claim 1, <u>further</u> comprising ~~the step of~~ adjusting the number of said band data components in said subset of said band data components in accordance with the data capacity available for said recovery data.

Claim 22 (Currently Amended): A method of processing a spectrally-encoded digital audio signal comprising band data components representing audio contributions in respective frequency bands and recovery data representing original values of a subset of said band data components, said method comprising ~~the step of~~<u>:</u>

altering said subset of said band data components in accordance with said recovery data to reconstruct said original values of said subset of said band data components<u>, wherein said subset of said band data components include band data components from a spectrally-encoded digital audio watermark signal, multiplied by a scaling factor; and</u>

<u>storing results of the altering in a memory</u>.

Claim 23 (Currently Amended): A method according to claim 22, <u>further</u> comprising ~~the step of~~<u>:</u>

decrypting said recovery data.

Claim 24 (Currently Amended): A method of distributing spectrally-encoded audio content material, said method comprising ~~the steps of~~:

processing said spectrally-encoded audio content material in accordance with the method of claim 1 to form a band-altered digital signal and recovery data;

encrypting said recovery data to form encrypted recovery data;

supplying said band-altered digital signal and said encrypted recovery data to a receiving user; and

supplying a decryption key, to said receiving user to allow said receiving user to decrypt said encrypted recovery data.

Claim 25 (Currently Amended): A method according to claim 24, ~~in which~~ <u>wherein</u> said supplying [[step]] takes place only if a payment is received from said receiving user.

Claim 26 (Currently Amended): A method of receiving spectrally-encoded audio content material, said method comprising ~~the steps of~~:

receiving a band-altered digital signal and encrypted recovery data from a content provider, said band-altered digital signal and said recovery data having been generated [[in]] <u>by</u> ~~altering a subset comprising one or more of said band data components~~ <u>combining or replacing one or more band data components with corresponding band data components from a spectrally-encoded digital audio watermark signal, multiplied by a scaling factor</u> to produce a band-altered digital audio signal having altered band data components; [[and]]

generating recovery data to allow original values of said altered band data components to be reconstructed;

receiving a decryption key to allow decryption of said encrypted recovery data;

decrypting said encrypted recovery data to form decrypted recovery data;

processing said band-altered digital signal by altering said subset of said band data

components in accordance with said recovery data to reconstruct said original values of said

subset of said band data components; and

reproducing audio content based on the reconstructed original values of said subset of

said band data components.

Claim 27 (Currently Amended): A method according to claim 26, further comprising

the step of:

providing a payment to said content provider.

Claim 28 (Currently Amended): A computer software having readable medium

containing program code for carrying out a instructions for execution on a computer, which

when executed by the computer, cause the computer to perform the method according to

recited in claim 1.

Claims 29-31 (Canceled).

Claim 32 (Currently Amended): A computer software having readable medium

containing program code for carrying out a instructions for execution on a computer, which

when executed by the computer, cause the computer to perform the method according to

recited in claim 22.

Claims 33-35 (Canceled).

Claim 36 (Currently Amended): ~~An~~ apparatus for processing a spectrally-encoded digital audio signal comprising band data components representing audio contributions in respective frequency bands, said apparatus comprising:

a data modifier ~~for modifying~~ configured to modify a subset comprising one or more of said band data components by combining or replacing one or more of said band data components with corresponding band data components from a spectrally-encoded digital audio watermark signal, multiplied by a scaling factor, to produce a band-altered digital audio signal having altered band data components; [[and]]

a data generator for generating recovery data to allow the original values of said subset of said band data components to be reconstructed; and

a memory unit being configured to store the output of the data modifier.

Claim 37 (Currently Amended): The apparatus according to claim 36, further comprising an ~~encryptor for encrypting~~ encryption unit configured to encrypt said recovery data.

Claim 38 (Currently Amended): ~~An~~ apparatus for processing a spectrally-encoded digital audio signal comprising band data components representing audio contributions in respective frequency bands and recovery data representing original values of a subset of said band data components, said apparatus comprising:

a data modifier ~~for modifying~~ configured to modify said subset of said band data components in accordance with said recovery data to reconstruct said original values of said subset of said band data components, wherein said subset of said band data components include band data components from a spectrally-encoded digital audio watermark signal, multiplied by a scaling factor; and

a memory unit being configured to store the output of the data modifier.

Claim 39 (Currently Amended): The apparatus according to claim 38, further comprising a ~~decryptor for decrypting~~ a decryption unit configured to decrypt said recovery data.

Claim 40 (Currently Amended): A set-top box comprising the apparatus according to claim 38.

Claim 41 (Currently Amended): An audio receiver comprising the apparatus according to claim 38.

Claim 42 (Canceled).